

1997 Limited Liability Company Return of Income

568

For calendar year 1997 or fiscal year beginning **M M D D 1 9 9 7**, and ending **M M D D 1 9 Y Y**.

A Principal business activity name (same as federal)	Limited liability company name (type or print)		D FEIN
	DBA		E Date business started
B Principal product or service (same as federal)	Number and street (or PO Box number if mail is not delivered to street address)		F Enter total assets at end of year. See instructions.
	City or town, state and ZIP code		\$
C Principal business code (same as federal)	G Check accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (attach explanation)		H Secretary of State (SOS) file number
			I Check applicable box (1) <input type="checkbox"/> Initial return (2) <input checked="" type="checkbox"/> Final return (3) <input type="checkbox"/> Amended return

J Enter the number of Schedules K-1. Attach one for each person who was a member at any time during the taxable year	●	
K Is this LLC an investment partnership? See instructions.	●	Y N
L Is this LLC apportioning income to California using Schedule R?	●	Y N
M Was there a distribution of property or a transfer (for example, by sale or death) of an LLC interest during the taxable year?	●	Y N
N Is this LLC under audit by the IRS or has it been audited in a prior year?	●	Y N
O Did this LLC or its subsidiary(ies) have a transfer or acquisition of more than 50% in control or ownership? (See Instructions - Penalties May Apply.)	●	Y N
P (1) Does the LLC have any foreign nonresident members?	●	Y N
(2) Does the LLC have any nonresident members?	●	Y N
(3) Were Form 592, Form 592-A and Form 592-B filed for these members?	●	Y N
Q Enter ordinary income (loss) shown on federal Form 1065 for the same calendar or fiscal (taxable) year. Explain any differences between federal ordinary income (loss) and amount shown on line 22 in a separate schedule. (Not applicable for disregarded entities).	●	\$
R Are any members in this LLC also LLCs or partnerships?		Y N
S Does the LLC meet all the requirements shown in the instructions for Question S?		Y N
T Is this LLC a member or partner in another LLC or partnership?		Y N
U Is this LLC a publicly traded partnership as defined in IRC Section 469(k)(2)?		Y N
V Is this LLC a business entity disregarded for tax purposes?		Y N
If yes, see instructions and only complete Side 1. Are there credits or credit carryovers attributable to the disregarded entity?		Y N
W Is the LLC required to complete federal Form 8271? If "Yes", see instructions		Y N

Attach check or money order here.	1 Total income from LLC Income Worksheet, line 19	●	1	
	2 Limited Liability Company Fee. See instructions	●	2	
	3 1997 LLC Tax	●	3	
	4 Nonconsenting nonresident members' tax liability from Schedule T	■	4	
	5 Total tax and fee. Add line 2, line 3 and line 4	■	5	
	6 Amount paid with form FTB 3537 and 1997 FTB 3522	■	6	
	7 Overpayment from prior year allowed as a credit.	■	7	
	8 Total payments. Add line 6 and line 7	■	8	
	9 Tax and fee due. If line 5 is more than line 8, subtract line 8 from line 5	■	9	
	10 Overpayment. If line 8 is more than line 5, subtract line 5 from line 8	■	10	
	11 Amount of line 10 to be credited to 1998 tax or fee	■	11	
	12 Amount to be refunded. Subtract line 11 from line 10	■	12	\$
	13 Penalties and interest. See instructions	■	13	
	14 Amount due. Add line 9 and line 13. Pay this amount with this return.	■	14	\$

Single Member LLC Information and Consent — Complete only if the LLC has elected to be disregarded.	Federal TIN
Sole Owner's Name	SOS File No.

Street Address, City, State and ZIP Code	Consent statement: I consent to the jurisdiction of the State of California to tax my LLC income and agree to file returns and pay tax as may be required by the Franchise Tax Board.	Return filed with FTB by Owner <input type="checkbox"/> Form 540 <input type="checkbox"/> Form 541 <input type="checkbox"/> Form 100 <input type="checkbox"/> Form 100S <input type="checkbox"/> Form 565 <input type="checkbox"/> Form 568 <input type="checkbox"/> Other
Signature	Date	Title

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer	Title	Date	Telephone ()
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN/FEIN
	Firm's name (or yours, if self-employed) and address			FEIN
				ZIP CODE

Schedule A Cost of Goods Sold

1	Inventory at beginning of year	1		
2	Purchases less cost of items withdrawn for personal use	2		
3	Cost of labor.	3		
4	Additional IRC Section 263A costs. Attach schedule.	4		
5	Other costs. Attach schedule.	5		
6	Total. Add line 1 through line 5	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Schedule B, line 2	8		

9 a Check all methods used for valuing closing inventory:

● (1) ☐ Cost (2) ☐ Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3) ☐ Writedown of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) (4) ☐ Other. Specify method used and attach explanation _____

b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970. . . ☐

c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the LLC? ☐ Yes ☐ No

d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "yes," attach explanation ☐ Yes ☐ No

Schedule B Income and Deductions

Caution: Include **only** trade or business income and expenses on line 1a through line 21 below. See the instructions for more information.

Income	1 a Gross receipts or sales \$_____ 1b Less returns and allowances \$_____ Balance	1c		
	2 Cost of goods sold (Schedule A, line 8)	2		
	3 Gross profit. Subtract line 2 from line 1c. ●	3		
	4 Ordinary income (loss) from other LLCs, partnerships and fiduciaries. Attach schedule ●	4		
	5 Net farm profit (loss). Attach federal Schedule F (Form 1040). ●	5		
	6 Net gain (loss) from Schedule D-1, Part II, line 18 ●	6		
	7 Other income (loss). Attach schedule ●	7		
	8 Income (loss). Combine line 3 through line 7 ●	8		
Deductions	9 Salaries and wages (other than to members)	9		
	10 Guaranteed payments to members ●	10		
	11 Repairs	11		
	12 Bad debts. ●	12		
	13 Rent	13		
	14 Taxes	14		
	15 Deductible interest expense not claimed elsewhere on return	15		
	16 a Depreciation and amortization. Attach form FTB 3885L \$_____ b Less depreciation reported on Schedule A and elsewhere on return \$_____ Balance	16c		
	17 Depletion. Do not deduct oil and gas depletion	17		
	18 Retirement plans, etc.	18		
	19 Employee benefit programs	19		
	20 Other deductions. Attach schedule ●	20		
	21 TOTAL deductions. Add line 9 through line 20 ●	21		
	22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8 ●	22		

Schedule T Nonconsenting Nonresident Members' Tax Liability

Member's name	Social security number or FEIN	Distributive share of income x Tax Rate	Tax Due
		x	
		x	
		x	
		x	
		x	

Total the amount of tax due. Enter the total here and on Side 1, line 4

Attach additional sheets if necessary.

Schedule K **Members' Shares of Income, Deductions, Credits, Etc.**

	(a) Distributive share items	(b) Total amounts using California law
Income (Loss)	1 Ordinary income (loss) from trade or business activities (Side 2, line 22)	1
	2 Net income (loss) from rental real estate activities. Attach federal Form 8825	2
	3 a Gross income from other rental activities 3a	
	b Less expenses. Attach schedule. 3b	
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c
	4 Portfolio income (loss). See instructions:	
	a Interest income ● 4a	
	b Dividend income. ● 4b	
	c Royalty income ● 4c	
	d Net capital gain (loss) (Schedule D (568)) 4d	
	e Other portfolio income (loss). Attach schedule ● 4e	
	5 Guaranteed payments to members ● 5	
	6 Net gain (loss) under IRC Section 1231 (other than due to casualty or theft). Attach Schedule D-1 ● 6	
7 Other income (loss). Attach schedule 7		
Deductions	8 Charitable contributions. See instructions. Attach schedule 8	
	9 Expense deduction for recovery property (R&TC Sections 17266, 17267.2 and 17268 and IRC Section 179). Attach schedule. 9	
	10 Deductions related to portfolio income 10	
	11 Other deductions. Attach schedule 11	
Investment Interest	12 a Interest expense on investment debts. 12a	
	b (1) Investment income included on line 4a through line 4e above 12b(1)	
	(2) Investment expenses included on line 10 above 12b(2)	
Credits	13 a (1) Withholding on LLC allocated to all members 13a(1)	
	b Low-income housing credit 13b	
	c Credit(s) other than credits shown on line 13b related to rental real estate activities. Attach schedule 13c	
	d Credit(s) related to other rental activities. See instructions. Attach schedule. 13d	
	14 Other credits. See instructions. Attach schedule ● 14	
	14 a Total credits received. Add line 13b through line 14 14a	
Adjustments and Tax Preference Items	15 a Depreciation adjustment on property placed in service after 1986 15a	
	b Adjusted gain or loss 15b	
	c Depletion (other than oil and gas) 15c	
	d (1) Gross income from oil, gas and geothermal properties 15d(1)	
	(2) Deductions allocable to oil, gas and geothermal properties 15d(2)	
	e Other adjustments and tax preference items. Attach schedule 15e	
Other	16 a Total expenditures to which IRC Section 59(e) election may apply. Attach schedule 16a	
	b Type of expenditures 16b	
	17 Tax-exempt interest income 17	
	18 Other tax-exempt income. 18	
	19 Nondeductible expenses 19	
	20 Distributions of money (cash and marketable securities) 20	
	21 Distribution of property other than money. 21	
	22 Other items and amounts reported separately to members. Attach schedule 22	
Analysis	23 a Total distributive income/payment items. Combine line 1 through line 7 above. From the result subtract the sum of line 8 through line 12a and line 16a. ● 23	
	b Analysis of members:	

Members	(a) Corporate	(b) Individual		(c) Partnership	(d) Exempt Organization	(e) Nominee/ Other	(f) LLC
		i. Active	ii. Passive				

Schedule L Balance Sheets. See the instructions for Question S before completing Schedules L, M-1 and M-2.

Assets	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
1 Cash				
2 a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets. Attach schedule.				•
7 Mortgage and real estate loans				
8 Other investments. Attach schedule				•
9 a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	•
10 a Depletable assets				
b Less accumulated depletion	()		()	
11 Land (net of any amortization)				•
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
13 Other assets. Attach schedule				•
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities. Attach schedule				
18 All nonrecourse loans				•
19 Mortgages, notes, bonds payable in 1 year or more				•
20 Other liabilities. Attach schedule				•
21 Members' capital accounts				•
22 Total liabilities and capital				

Schedule M-1 Reconciliation of Income per Books With Income per Return. Use Total Amounts Using California Law.

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, line 1 through line 7. Itemize:	
2 Income included on Schedule K, line 1 through line 7, not recorded on books this year. Itemize •		a Tax-exempt interest \$	•
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, line 1 through line 12a and line 16a, not charged against book income this year. Itemize:	
4 Expenses recorded on books this year not included on Schedule K, line 1 through line 12a and line 16a. Itemize:		a Depreciation \$	•
a Depreciation \$		8 Total of line 6 and line 7	
b Travel and entertainment \$		9 Income (loss) (Schedule K, line 23a). Subtract line 8 from line 5	
c LLC annual tax \$ •			
5 Total of line 1 through line 4 •			

Schedule M-2 Analysis of Members' Capital Accounts. Use California Amounts.

1 Balance at beginning of year		6 Distributions: a Cash	•
2 Capital contributed during year •		b Property	•
3 Net income (loss) per books		7 Other decreases. Itemize	
4 Other increases. Itemize			•
		8 Total of line 6 and line 7	
5 Total of line 1 through line 4 •		9 Balance at end of year. Subtract line 8 from line 5	

Schedule O Recognized Gains from Liquidations Used to Capitalize a Limited Liability Company (Complete only if Initial Return box is checked in Question I.)

Name(s) of entity liquidated (if more than one, attach a schedule)

Type of entity: ☐ C corporation ☐ S corporation ☐ Partnership ☐ Limited Partnership ☐ Sole Proprietor ☐ Farmer

Entity identification number(s)

Amount of liquidation gains recognized to capitalize the LLC